

**Committee Members:** (11 positions, 6 = Quorum)

x	Keith Michel (General Contractors) – Co-Chair	x	Mark Nakagawara (Cities) – Co-Chair
	Liz Anderson (WA PUD Assoc)		Irene Reyes (Private Industry)
	Sharon Harvey (OMWBE)		Mark Riker (Labor)
x	Bruce Hayashi (Architects)		Steve Russo, UMC, Specialty Contractors
x	Diane Pottinger (Water District Representative)	x	Michael Transue (MCA)
x	Roger Ferris, Fire District Representative		Olivia Yang (Higher Education)

**Guests & Stakeholders:**

	Eric Alozie		Judi Gladstone, WASWD
	Logan Bahr, Tacoma Public Utilities	x	Monique Martinez, DES/CPARB Staff
	Talia Baker, DES/CPARB Staff		Scott Middleton, MCAWW
	Randy Black, Lakewood Water District		Roe Paulalasi-Gonzalez
	George Caan, WA PUD Association		Paul Richart, Alderwood Water & Wastewater District
	Bill Clark, WA PUD Association	x	Josh Swanson
	Joren Clowers, Sno-King Water District Coalition	x	Abigail Vizcarra Perez, MetroParks Tacoma
x	Nancy Deakins, DES/CPARB Staff		Rob Wettleson, Forma Construction
x	Linda De Boldt, WA Cities	x	Maggie Yuse, Seattle Public Utilities
x	Brandy DeLange, Assoc. WA Cities		Janice Zahn, Port of Seattle
x	Jack Donahue, MFA	x	Ryan Spiller
x	Roger Ferris, Washington Fire Commissioners Association		

The meeting began at **11:31 a.m.**

**Welcome & introductions**

Co-Chair Keith Michel opened the meeting and welcomed everyone, thanking them for their punctuality.

**Review/approve agenda – Action**

*Linda De Boldt motioned to approve the agenda, seconded by Diane Pottinger. The motion passed with a voice vote.*

**Approve May 21, 2024, meeting notes – Action**

*Michael Transue motioned to approve the minutes from May 21, seconded by Bruce Hayashi. The motion passed with a voice vote.*

**Feedback Report on Action Items – Discussion**

Co-Chair Michel asked the owners in the committee if they had reviewed the prevailing wage topic of the discussion, and to share any thoughts they may have on that.

Linda provided feedback, saying that she touched base with finance and management staff at the City of Bellevue, and noted that implementing situational pay grades would place a significant hurdle upon city staff. She spoke to people in her own agency and stated that using the current prevailing wage stipulation would be problematic for the state of current union contracts.

Co-Chair Mark Nakagawara mentioned that he had brief discussions with City of Seattle staff. The city just went through the bargaining process with the unions they work with, and any new rates will prove problematic in getting these established. Generally, it would be an extremely difficult process to implement.

Co-Chair Michel asked Linda if she had a collective bargaining agreement with city staff. He then asked if anyone else on the ownership side did not have a collective bargaining agreement in place, to which Diane answered that her district did not, but said that staff found the multiple pay levels confusing and unnecessary.

Co-Chair Michel answered Diane, clarifying that if the prevailing wage work opportunity was removed, instead it would be self-performed. The prevailing wage obligation is then removed, labor is asking for it to apply to ensure city workers are paid the same as contractors. There was an aim at striking a balance between self-performed work and work that went out to bids.

Michael Transue provided insight to the other side and stated that if the prevailing wage obligation were removed, those who would otherwise be bidding on a job are being placed at a competitive disadvantage.

Diane said she thought the committee had gotten too into the weeds on this topic and was contending with hypotheticals. She suggested meeting with Rep. Ryu, the original bill sponsor, to determine if the committee was still on-track in its work. She asked which legislator had asked the committee to continue this work. Co-Chair Michel answered that CPARB had tasked them with this work with the hope that the committee propose a new bill based off the language they were trying to find in these discussions.

Co-Chair Nakagawara said he didn't understand why prevailing wage was being included in the language, and that cities were not engaged in competition with contractors on any level.

Diane added that, in her mind, public entities only want to do internal work in order to get the job done as expediently as possible.

Michael clarified that "competition" wasn't the right word. Rather, he wanted to make sure that public and private-sector employees remained on a level playing field.

Co-Chair Nakagawara then reminded Michael that "level playing field" refers to competition as well. He then added that, representing cities, he wasn't in competition with private contractors. Cities need private contractors to perform the work that they cannot, and he wants to be sure that things are able to be done quickly.

Michael then added he didn't want to cast cities and contractors as "in competition" with one another, either. He then spoke to Diane's question of why the committee was still doing work, stating that the committee had made a commitment to working through a better way of utilizing in-house employees in emergency situations.

Josh Swanson spoke up, adding that since Mark Riker was not in the meeting, he'd do his best to speak on Labor's behalf. He said that the word Michael was searching for, rather than a "level playing field," was "parity." They were just working to ensure that everyone involved was on equal footing. He then spoke to the committee's goal from last meeting to put together proposal language to get something moving forward.

Ryan Spiller clarified his position. While fire districts want to find common ground to move forward on this language, limiting it to emergencies is difficult and he doesn't know if he'd be able to sign-off on that. Fire districts would not be able to hire employees if they were limited to only work during emergencies.

Janice Zahn spoke to Diane's question regarding the charge from the legislature and wondered if it'd be worthwhile to review the original bill. She said that Diane made a great point about Rep. Ryu, the original bill sponsor, and asked Keith and Mark if they thought it'd be worthwhile to provide an update to Rep. Ryu and other legislators about the work that the committee was doing.

Linda chimed in with some thoughts: one was that the higher limit of \$300k for Prudent Utility Management (PUM) was a major sticking point for the committee; the other was the prevailing wage requirement, as had been discussed. She proposed giving second-class cities the same abilities as first-class cities when it comes to the utilization of crew labor.

Co-Chair Michel responded, explaining that SB 1621 used the \$300k limit for all six public entities. The only limits for self-performed work that the committee approved were \$75k and \$150k. PUDs were not included in the committee's recommendation, since they have been able to operate that way for a while now.

Linda thanked Co-Chair Michel for the clarification and said that it made sense since \$75k and \$150k were not under PUM.

Michael disagreed. He said that the recommendation from the committee was that PUM was taken out, without the \$300k limit. He said that the committee, at the time, found the definition of PUM to be too vague.

Linda clarified that she wasn't speaking to what the committee had proposed, but rather the bill that did pass. It did include PUM up to the limit of \$300k.

Co-Chair Michel clarified. SB 1621 passed in 2022 and was set to go into effect in 2023. The committee was tasked with reviewing the bill, and implementation was delayed until 2024. At the end of the year, the committee did not recommend removing PUM, but rather delaying implementation so that the committee could work out a stronger term or definition.

Janice stated that the goal of the public agencies was not to roll back the abilities given to PUDs, and that it is important to define PUM to ensure it was implemented properly. She also reminded the committee that they have a common goal here, to get whatever findings they have to CPARB in December.

Co-Chair Michel agreed, noting in his mind the committee's goal was to find consensus to change the original bill language.

The committee then began review of Michael, Josh and Mark Riker's feedback on the draft bill.

Michael pointed out that Appendix D included the votes on PUM and quoted the text from the recommendation: "should PUM not move forward, then here is the language that the committee would like to work on." That language focused on exigency, efficiency and financial needs.

Co-Chair Nakagawara stated that he'd like to go on record as saying he never voted down the \$300k authorization, rather that the definition of PUM needed to be more concrete.

Co-Chair Michel thanked Co-Chair Nakagawara for sharing that and stated there were multiple recommendations in the CPARB bill, some of which approved of the authorization and another that determined that the definition needed to be changed.

Linda asked Michael to run through the findings verbally, and he then read through the document.

Michael, Josh and Mark Riker recommended an amendment to RCW 35.22.620, in regard to first-class cities, with an aim at applying the 10% limitations on in-house work to other jurisdictions as discussed in previous meetings.

Diane stated that special purpose districts were not required by law to have capital plans and wondered about the definition of "ordinary maintenance." It could include people using equipment and turning valves, and confusion over that could lead to paralysis from staff when they need to get something done.

Co-Chair Nakagawara established that he was assuming that the \$75k and \$150k limits were not being replaced by the \$300k limit, and that PUM was not meant to be included with emergencies. He said that it was not in the public interest to create difficulty in using emergency contracting methodology. He couldn't support any barriers to getting work done during an emergency situation.

Michael said that if they want to remove emergencies from the recommendations, he'll have to double-back.

Linda thanked Michael for reading through the document and said that she can agree with most of what is proposed in the document with exception to the emergency clause and prevailing wage requirement. She said there wouldn't be a problem with reporting requirements, from her experience. On ordinary maintenance, she stated that "maintenance" is defined as major maintenance, things that go out to contract, while "ordinary maintenance" is defined as what the city's crews do every day. She also highlighted "exigency" as a point of agreement throughout the committee and recommended discussing a definition.

Michael asked the committee to read through the definition of "emergency." Linda stated that they were things that needed to be taken care of immediately, otherwise the community will be adversely affected. "Exigency" was defined as something that was urgent, but not an immediate emergency.

Co-Chair Michel restated the previous comments and added that he thought the intention of the bill was specifically to let public entities work on situations that were urgent and exigent, but not yet emergencies.

Roger Ferris spoke up, agreeing with Co-Chair Nakagawara. He said that he was curious as to what was considered an emergency, given that fire districts work on emergencies on a daily basis. Fire districts are often small and volunteer-based, and he said he wanted to be sure that rural fire districts have the necessary flexibility to continue their day-to-day operations.

Josh stated that he, Michael, and Mark Riker discussed a number of options in regard to emergencies and said that they need to re-convene to discuss removing the emergency clause entirely. He said they'll come back with another product that is closer to consensus with the whole committee.

Ryan asked if this was a two-tiered approach, where under the \$150k limit they wouldn't be subject to restriction, and once they move into the \$300k range they would move into definitions on circumstance and other restrictions.

Co-Chair Michel answered affirmatively that it was business as usual under \$150k then falls into regulation above that number.

### **Establish next meeting agenda**

Welcome & Introductions  
Review/approve Agenda  
Review/approve minutes from 6/4 meeting

**The meeting ended at 1:01pm.**

### **Action items:**

Josh Swanson and Michael Transue will meet with Mark Riker and come back with some proposed language that stops short of emergencies, for approval from the rest of the committee.